

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 47 provides requirements for consortiums which operate a career academy. Consortiums shall consist of at least three school districts and a community college or public four-year college or university. At least one other public agency, private business, private-industry group or private entity must participate in a consortium. An interlocal agreement is required. The career academy must provide a curriculum in at least grades 11 and 12 and may provide such in grades 9 and 10.

The fiscal impact of the bill is difficult to project since the state does not have any career academies at the present time. The provisions of the bill are more prescriptive than current law in terms of collaboration, so this may limit the number of career academies in the future that will qualify for aid pursuant to the bill. A representative of the State Department of Education (NDE) indicates there may be a few schools that will operate a career academy beginning in FY2014-15.

Career Academy Aid: The bill provides a grant of \$1,500 per student to the resident school district for each full-time student enrolled in a career academy sponsored by a consortium. These grant funds are exempt from budget and expenditure limitations. The funds are to be paid by NDE from funds available to the career education division of the department. If the appropriation is not adequate to provide \$1,500 per student, then the total is prorated.

Since the state does not have any career academies, the fiscal impact of providing aid is unknown. It is assumed a minimal number of schools will be eligible for aid beginning in FY2014-15. Several of the larger school districts may seek aid starting in FY2015-16 and FY2016-17. The amount of aid required to fully fund a grant of \$1,500 per student will depend upon student participation, courses offered and the number of schools operating an academy. NDE projects about \$500,000 of general fund aid would be needed in the initial year for this aid program.

Student Credential Assessment Aid: The Industry Credential Assessment Fund is created in the bill to consist of funds appropriated by the Legislature and funds contributed by private entities to defray the cost to career academy graduates of assessments to obtain industry-recognized credentials. NDE is to administer the fund and provide up to \$1,000 to an applicant to cover the cost of an assessment. Half of the grant to the applicant is to be from state funds and the other half from private contributions. The requirement for 50% of the payment to be from private funds may result in fewer grants being provided if private funding is not available. It is assumed that grant funds may initially be paid out in FY2014-15, if career academies are formed. NDE projects about \$75,000 of general fund aid would be needed in the initial year for this aid program.

NDE: The department estimates the need for at least one additional FTE beginning in FY2013-14 to work with developing career academies in the state. If a significant number of career academies are formed in the state, then it is possible that NDE will require additional staff in the future to administer and manage the two aid programs established in the bill. This fiscal note assumes an additional FTE will be required beginning in FY2014-15 if career academies are formed. The estimated fiscal impact will be \$102,676 of general funds for an Education Specialist.

Community College Consortium Aid: LB 47 broadens the provisions applying to the Nebraska Community College Student Performance and Occupational Education Grant Fund to allow grants to community colleges for career academies established by a consortium. The bill will not have a fiscal impact for the grant fund because the amount of funds available is unchanged. However, it is possible the use of the fund in the future could be changed, if the grant fund is utilized for career academies.

Postsecondary Education: Revenues and expenditures of community colleges, state colleges and possibly the University of Nebraska may be impacted by the bill to the extent the postsecondary institutions are involved in career academy consortiums.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 47	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Matthew Eash	DATE: 1/24/2013	PHONE: 402-471-4175
<p>COMMENTS: The finance and accounting responsibilities added to the Department would be routine and not delineable from common functions performed by existing staff. The cost to design and publish application forms would be one-time and nominal. The Department's new role in approving student aid requests would be mostly straightforward and therefore easy to streamline, with whatever subjective analyses being performed only occasionally by existing staff. Altogether, the Department may incur some one-time delineable costs for documentation/process development, none of which would require an increase in FTEs.</p> <p>The legislation authorizes school districts to receive aid in the amount up to \$1,500 per student enrolled in a consortium-sponsored career academy, to the extent funds are available to the Department of Education. Without knowing how much funding the Legislature intends to make available, and without knowing how many students might enroll in a consortium-sponsored career academy, it is impossible to determine the fiscal impact to state funds for this particular component of the legislation.</p> <p>The Industry Credential Assessment Fund would be created, with the intent to provide 50% of the fund balance with state funds, and the other 50% with private funds. The Fund would be used to provide direct aid payments up to \$1,000 each to students to defray the costs of credentialing. Without knowing how much state funds the Legislature intends to seed the Fund with, and without knowing how many students might apply for assistance, it is impossible to determine the fiscal impact to state funds for this particular component of the legislation.</p>		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 47	AM:	AGENCY/POLT. SUB: Nebraska Community College Association
REVIEWED BY: Matthew Eash	DATE: 1/22/2013	PHONE: 402-471-4175
<p>COMMENTS: This legislation does not indicate that additional state funds would be provided directly to community colleges for any reason, although it does add "career academies" to the list of programs a community college may apply for a grant from Nebraska Community College Student Performance and Occupational Education Grant Fund, the cash balance for which would not likely be affected in aggregate as a result of this legislation. Thus, any state fiscal impact would manifest directly as aid to a school district or to a student, but not directly to a community college. However, because the specific functions and scope of duties of a community college in a consortium are not delineated in the legislation, the potential state fiscal impact as a result of involving a community college in a career academy is indeterminate.</p>		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 47	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Matthew Eash	DATE: 1/17/2013	PHONE: 402-471-4175
COMMENTS: Concur; no fiscal impact		

Please complete ALL (5) blanks in the first three lines.

2013

LB⁽¹⁾ 47 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Richard Katt Date Prepared: ⁽⁴⁾ 1/18/2013 Phone: ⁽⁵⁾ 402-471-4808

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	180,221		677,676	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>180,221</u>		<u>677,676</u>	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The management of the two grant programs in the bill will require one additional staff person at NDE. The Aid amounts represent the estimated amount of money needed for the Industry Certification Fund in 2013-2014, with 150 Industry Certifications potentially awarded requiring \$75,000 of general funds and the balance from private industry. The 2014-2015 expenditure represents an increase in the number of Industry Certifications to 400 for a total of \$200,000 from general funds and the balance awarded to qualifying students in the career academy consortia. At this time we do not have any career academy consortia that would qualify for the funds in the 2013-2014 year. In addition to the Educational Specialist IV position as the activity in this program increases additional fiscal staff may be needed in future years.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014</u>	<u>2014-2015</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Education Specialist IV	1	1		
Benefits.....			90,168	93,978
Operating.....			4,773	4,498
Travel.....			4,000	4,200
Capital outlay.....			6,280	
Aid.....			75,000	575,000
Capital improvements.....				
TOTAL.....			<u>180,221</u>	<u>677,676</u>

Please complete ALL (5) blanks in the first three lines.

2013

LB⁽¹⁾ 47 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Dennis Baack Date Prepared: ⁽⁴⁾ 1/14/2013 Phone: ⁽⁵⁾ 402-471-4685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There may be additional costs if a consortium would include a community college. However, it is impossible to assign any monetary amount because it would depend on the term of any consortium that may be formed. There is also a fund created to aid in payment for some of the services provided but it is not possible to put an exact monetary impact number without knowing how many students may be involved with any particular consortium.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2013

LB⁽¹⁾ 47 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 16, 2013 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 47 has no fiscal impact on the University.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2013

LB⁽¹⁾ 047 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 01/18/2013 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>*undetermined</u>	<u>*undetermined</u>	<u>*undetermined</u>	<u>*undetermined</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>*undetermined</u>	<u>*undetermined</u>	<u>*undetermined</u>	<u>*undetermined</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

***LB47 may have a fiscal impact if opportunities arise for the NSCS to collaborate with school districts in offerings at career academies. It is difficult to predict the impact on revenue and expenditures until such partnerships are established and defined.**

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____